



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Legislative Fiscal Analyst
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DATE: November 18, 2008

TO: Legislative Finance Committee

FROM: Terry W. Johnson
Principal Fiscal Analyst

RE: General Fund Status Sheet

The general fund status sheet (GFSS) is analogous to your personal checkbook register. Your bank balance fluctuates either up or down as you make deposits and expend monies. Similarly, the GFSS simply measures the state's financial condition as the legislature adjusts revenue flows (taxation policies) and appropriates funds (authorizes expenditures).

The GFSS is prepared during legislative sessions in order to provide the legislature with a current projection of the financial status of the general fund account. This budgetary status sheet is usually prepared at least once a week and serves as a "work in progress" tool to assist the legislature in balancing the state's general fund budget. Financial information on revenue estimates, taxation legislation, and appropriation measures are the basic components of the GFSS. The status sheet is usually prepared on Fridays and distributed either late Friday night or early Saturday morning.

The starting point for the status sheet is the projected general fund balance *before* any legislative action has been taken. This balance is based on revenue estimates adopted by the Revenue and Taxation Interim Committee (RTIC) on November 18, 2008, agency base budgets for fiscal 2008 as assumed for fiscal 2010 and 2011, LFD estimates for all statutory appropriations, fund balance adjustments, residual equity transfers, and the Executive Budget recommendations for supplemental appropriations.

The status sheet also shows any proposed legislation that has general fund fiscal impact (revenue or disbursement). These bills are posted to the document after any committee takes positive executive action. Subsequent amendments to bills are also incorporated into the document once they have been adopted by a committee. The projected ending balance after legislative action to date is provided to show the legislature a "point in time" status of the general fund account.

The status sheet also includes all general fund bills that could change the level of spending for state agencies. These bills, categorized as "potential appropriations," result from legislation that change the duties and functions of state agencies without making a corresponding appropriation adjustment. These adjustments are considered by the House Bill 2 Conference Committee toward the end of the legislative session. These "potential" spending changes are *not* included in the projected ending balance until *after* legislative action has been taken.

Attached to the status sheet is a summary of budget development by joint appropriation subcommittees. These summaries show the budgets as approved by the subcommittees, as compared to the base budget for fiscal 2008. Both general fund and all funds detail are provided.

The information shown below is an example of what the GFSS will look like.

Legislative Fiscal Division									
General Fund Status Sheet									
2003 Biennium (Figures In Millions)									
		11/18/2002	09:08 AM		90 th Legislative Day				Status #13
Fiscal Condition Without Legislative Action									
Beginning Fund Balance(Without Feed Bill & Supplementals)						\$130.793	+		
Revenue & Taxation Committee Revenue Estimates						2,400.465	+		
Base Appropriations Using Fiscal 2000						(2,090.916)	-		
Estimated Reversions & 2003 Session Cost						(1.001)	-		
Estimated Statutory Appropriations						(96.730)	-		
Estimated Transfers						(9.700)	-		
Estimated Adjustments & Residual Transfers						0.000	+		
Ending Fund Balance Without Legislative Action							=	\$332.911	
Summary of Legislative Action									
Revenue Adjustments									
HJR 2 Revenue Estimates							+	29.765	
House Taxation						FY 2001=\$5.624FY 2002-2003=\$6.991	12.614		
House Floor						No Change	0.000		
Senate Taxation						FY 2001=\$9.231FY 2002-2003=\$2.241	11.477		
Senate Taxation						Fund Balance Adjustment for FY 2000	5.674		
Senate Floor						No Change	0.000		
Conference						Not Required	0.000		
Revenue Legislation (See Table 1 For Detailed Bill Listing)							+	356.396	
Appropriation Adjustments									
HB0002 General Appropriations Act						Present Law	New Proposal	-	(227.928)
General Government & Transportation						(86.477)	103.276		
Health & Human Services						(50.537)	(27.897)		
Natural Resources & Commerce						(2.917)	(73.328)		
Corrections & Public Safety						(22.912)	0.874		
Education						(28.245)	(39.765)		
Totals						(\$191.088)	(\$36.840)		
Other Appropriation Legislation (See Table 1 For Detailed Bill Listing)							-	(437.320)	
Total Legislative Action							-	(\$279.087)	
Fiscal Condition With Legislative Action						\$332.911	-	(\$279.087) =	\$53.824

Legislative Fiscal Division									
General Fund Status Sheet									
2003 Biennium (Figures In Millions)									
				11/18/2002	09:08 AM		90 th Legislative Day		Status #13
Table 1 - Detail of Legislative Action									
	Bill Number	Short Description of Proposed Legislation				Revenue Impact	Appropriation Impact	Potential Impact *	Total Impact
LAW	HB0001	Feed bill				0.000	(6.700)	0.000	(6.700)
		Total of Legislative Action				\$356.396	(\$437.320)	(\$2.649)	(\$83.573)
* Potential appropriations result from legislation changing the duties and functions of state agencies without a corresponding appropriation adjustment. These adjustments will be considered in House Bill 2 conference committee towards the end of the legislative session.									

General Fund Status Sheet
Issues Addressed By:
Legislative Finance Management Committee

- ✓ What statutory appropriations to use?
- ✓ What reversion estimates to use?
- ✓ What residual equity estimates to use?
- ✓ How should the impact of bills be developed if the LFD does not agree with the fiscal note or the bill is amended without a new fiscal note?
- ✓ If revenue bills impact property taxes, should the impact on the 6-mill account be shown as a general fund impact?
- ✓ When should bills be placed on the status sheet?
- ✓ How should duplicate or similar bills be reflected on the status?
- ✓ How should bills that are re-referred to a second committee be reflected on the status?
- ✓ Should the balance sheet include any reserve for fire suppression costs and supplemental appropriations for the 2009 biennium?
- ✓ Should the balance sheet show an ending fund reserve?
- ✓ How should “cat and dog” bills that are included in HB2 be reflected on the status?
- ✓ How should bills that have a revenue impact and a “potential” impact be reflected on the status?